WASHINGTON STATE DEPARTMENT OF REVENUE



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Washington rated "model" of tax administration excellence

OLYMPIA, Wash., Feb. 3, 2003—The Department of Revenue's administration of Washington's tax system is among the best in the nation, *Governing* magazine reported today.

"Overall, tax administration in Washington is a model for other states, particularly in its tax simplification efforts," the magazine wrote in *The Way We Tax: A 50-State Report*, published in its February 2003 issue.

"The Department of Revenue has done a tremendous job in making our tax information and filing system easier for the people and businesses of Washington," Gov. Gary Locke said. "I congratulate them on this distinction and their continued effort to create resources that better our state's administrative infrastructure."

Washington is among only six states that rated a maximum of four stars for their administration of state tax systems.

The article noted that Washington was the first state to offer an Internet-based electronic filing and payment system for businesses, and more recently it developed an online geographic information system to help businesses code local sales taxes correctly.

Washington fared less well in the quality of its tax system. The magazine gave the state two stars for "fairness to taxpayers" because the sales tax places a heavier burden on lower-income households. It gave "adequacy of revenue" only one star due to the passage of several tax-reduction initiatives, and the state's heavy dependence on sales tax.

The complete report can be accessed at http://www.governing.com/gpp/2003/gp3intro.htm

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